

UNIFIED SCHOOL DISTRICT NO. 440

HALSTEAD, KANSAS

FINANCIAL STATEMENT

For the Year Ended June 30, 2014

Unified School District No. 440

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June 30, 2014

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# Knudsen Monroe & Company LLC

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 440  
Halstead, Kansas 67056

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 440, Halstead, Kansas, as of and for the year ended June 30, 2014, and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2014 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures – fiduciary, and schedule of regulatory basis receipts and expenditures – district activity (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2013 actual columns presented in Schedules 2 and 3, are also presented for comparative analysis and are not a required part of the 2013 basic financial statement upon which we rendered an unqualified opinion dated October 9, 2013. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://www.da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Knudsen, Manwe & Company LLC*

Certified Public Accountants

Newton, Kansas

August 15, 2014

## Unified School District No. 440

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS

For the Year Ended June 30, 2014

<u>Funds</u>	<u>Unencumbered Cash Balance 06-30-13</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance 06-30-14</u>	<u>Accounts Payable and Encumbrances</u>	<u>Cash Balance 06-30-14</u>
<b>Governmental Fund Types:</b>						
<b>General Funds:</b>						
General	\$ -	5,536,315	5,536,315	-	12,682	12,682
Supplemental general	89,537	1,684,144	1,680,000	93,681	209,378	303,059
<b>Special Purpose Funds:</b>						
At risk (K-12)	-	460,500	460,500	-	3,300	3,300
At risk (4 year old)	-	42,378	42,378	-	-	-
Capital outlay	623,744	357,547	274,221	707,070	99,725	806,795
Driver training	50,979	18,637	7,810	61,806	-	61,806
Food service	102,800	405,784	408,692	99,892	-	99,892
Professional development	51,711	32,200	31,736	52,175	-	52,175
Parent education	8,612	8,600	8,597	8,615	-	8,615
Special education	349,897	1,014,936	1,015,628	349,205	-	349,205
Student material revolving	41,770	57,792	37,296	62,266	4,721	66,987
Student health initiative	1,926	-	864	1,062	-	1,062
Vocational education	-	289,894	289,894	-	-	-
KPERS special retirement contribution	-	432,774	432,774	-	-	-
Contingency reserve	500,000	-	-	500,000	-	500,000
After school program	8,825	46,178	45,166	9,837	-	9,837
Federal government programs	-	140,031	140,031	-	-	-
Little Dragon Preschool	-	25,068	12,846	12,222	-	12,222
School activity funds:						
Gate receipts	29,819	112,388	105,079	37,128	-	37,128
School projects	14,916	39,269	36,023	18,162	-	18,162
<b>Bond and Interest Fund:</b>						
Bond and interest	982,892	664,898	629,056	1,018,734	-	1,018,734
<b>Fiduciary Funds:</b>						
Student organizations	-	85,582	85,582	-	48,749	48,749
Gift funds	290	-	290	-	-	-
	<u>\$ 2,857,718</u>	<u>11,454,915</u>	<u>11,280,778</u>	<u>3,031,855</u>	<u>378,555</u>	<u>3,410,410</u>

**Composition of Cash:**

The Halstead Bank	
Cash in bank, checking	\$ 2,701,371
Cash in bank, petty cash	1,500
Cash in bank, debit card	3,500
Cash in bank, activity funds	
Elementary School	19,602
Middle School	17,936
High School	59,195
Certificates of Deposit	
District	600,000
High School activity fund	7,306
	<u>\$ 3,410,410</u>

NOTES TO FINANCIAL STATEMENT

June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 440 is a Kansas municipality governed by an elected seven-member school board. This financial statement presents the District (the primary government) as the only component unit.

Regulatory Basis Fund Types

General Funds - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds - to account for the proceeds of specific tax levies, and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - to account for the accumulation of resources for and the payment of interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the District.

Fiduciary Funds - to account for assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds.

Activity Funds - under provisions of K.S.A. 72-8208a, the Board of Education adopted a resolution relating to the school activity funds which results in the activity funds being accounted for under policies and procedures of the Board. In this financial statement, school activity funds of the District are classified as special purpose and fiduciary funds.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

NOTES TO FINANCIAL STATEMENT

June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The budget of the general fund of a unified school district is based on estimated enrollment for the district. After the school year has begun, the enrollment for each district is audited by the Kansas Department of Education. This enrollment will determine the legal maximum budget for the district, and if this "legal max" budget is less than the adopted budget, the general fund budget of the district is automatically reduced to the computed amount. If this "legal max" budget is greater than the adopted budget, the District must amend the budget (see prior paragraph) to the "legal max" amount to have the additional budget authority. The District's general fund budget for the year ended June 30, 2014, was reduced to the "legal max" amount of \$5,536,315.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds and certain special purpose funds as noted in the presentation of the appropriate Schedule 2

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or the use of internal spending limits established by the governing body.

NOTES TO FINANCIAL STATEMENT

June 30, 2014

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no investment policy that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

As of June 30, 2014, the District's investments included only bank time deposits with a fair value of \$607,306 which are not subject to investment rating.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2014.

At June 30, 2014, the carrying amount of the District's deposits was \$3,410,410. The bank balance totaled \$3,472,786. The balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance, and the remaining \$3,222,786 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

3. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$540,409 for final general and supplemental general state aid subsequent to June 30, 2014, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt in these funds for the year ended June 30, 2014.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The District's cash deposits were not adequately secured for a period of twenty-two days during the year ended June 30, 2014.



Unified School District No. 440

NOTES TO FINANCIAL STATEMENT

June 30, 2014

5. GENERAL LONG-TERM DEBT

Changes in long-term debt for the District for the year ended June 30, 2014, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Maturity Date	Balance 06/30/13	Additions	Retired	Balance 06/30/14	Interest Paid
<b>General Obligation Bonds</b>									
School Improvement									
Series 2004	4.50 - 7.50%	06/01/04	\$ 9,830,000	08/01/29	\$ 545,000	-	260,000	285,000	30,412
Series 2012, Refunding	2.00 - 3.50%	02/15/12	8,720,000	08/01/29	8,670,000	-	80,000	8,590,000	258,644
					<u>9,215,000</u>	<u>-</u>	<u>340,000</u>	<u>8,875,000</u>	<u>289,056</u>
<b>Capital Lease Obligations</b>									
Equipment lease	3.897%	07/15/11	1,321,062	07/30/25	1,142,894	-	69,185	1,073,709	44,539
Cisco Wireless Network	0.000%	05/28/14	245,043	07/01/16	-	245,043	-	245,043	-
					<u>1,142,894</u>	<u>245,043</u>	<u>69,185</u>	<u>1,318,752</u>	<u>44,539</u>
<b>Total Long-Term Debt</b>					<u>\$ 10,357,894</u>	<u>245,043</u>	<u>409,185</u>	<u>10,193,752</u>	<u>333,595</u>

Current maturities of long-term debt and interest through maturity are as follows:

	2015	2016	2017	2018	2019	2020-2024	2025-2029	2030-2034	Total
<b>Principal</b>									
General Obligation Bonds	\$ 370,000	395,000	405,000	415,000	440,000	2,600,000	3,435,000	815,000	8,875,000
Capital Lease Obligation	<u>153,562</u>	<u>156,363</u>	<u>159,273</u>	<u>80,616</u>	<u>83,758</u>	<u>470,370</u>	<u>214,810</u>	<u>-</u>	<u>1,318,752</u>
Total principal	<u>523,562</u>	<u>551,363</u>	<u>564,273</u>	<u>495,616</u>	<u>523,758</u>	<u>3,070,370</u>	<u>3,649,810</u>	<u>815,000</u>	<u>10,193,752</u>
<b>Interest</b>									
General Obligation Bonds	267,325	252,194	244,194	235,994	225,244	906,769	444,028	14,263	2,590,011
Capital Lease Obligation	<u>41,842</u>	<u>39,041</u>	<u>36,131</u>	<u>33,107</u>	<u>29,965</u>	<u>98,247</u>	<u>12,638</u>	<u>-</u>	<u>290,971</u>
Total interest	<u>309,167</u>	<u>291,235</u>	<u>280,325</u>	<u>269,101</u>	<u>255,209</u>	<u>1,005,016</u>	<u>456,666</u>	<u>14,263</u>	<u>2,880,982</u>
<b>Total principal and interest</b>	<u>\$ 832,729</u>	<u>842,598</u>	<u>844,598</u>	<u>764,717</u>	<u>778,967</u>	<u>4,075,386</u>	<u>4,106,476</u>	<u>829,263</u>	<u>13,074,734</u>

6. OPERATING LEASES

On November 22, 2013, the District entered into a lease agreement with Konica Minolta to lease seven Konica Minolta Bizhub copiers. The agreement calls for monthly payments of \$1,695 for 61 months. Payments totaling \$11,685 were made in 2014. Future scheduled payments to maturity are as follows:

Year	Amount
2015	\$ 20,340
2016	20,340
2017	20,340
2018	20,340
2019	8,475

NOTES TO FINANCIAL STATEMENT

June 30, 2014

7. DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary, (5% of covered salary as of January 1, 2014) for Tier 1 members, and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits

As provided by K.S.A. 12-5040 the District allows retirees to participate in the group health insurance plan, until said retiree exhausts the early retirement benefits. The full monthly premium is paid by the retiree and is deducted from the retiree's monthly early retirement benefit.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Vacation

Full-time classified employees earn ten days of paid vacation upon completion of one year of employment. From two through ten years of service, eleven days of paid vacation is earned. After ten years of service, classified employees earn sixteen days of paid vacation per year. Certified employees earn no vacation. Unused vacation time has not been recorded as a liability in the accompanying financial statements.

Sick Leave

Full-time classified and certified employees earn approximately fifteen days of paid sick leave in one year of service which can be accumulated to a maximum of seventy days. Unused sick leave is not paid to employees upon termination. Unused sick leave has not been recorded as a liability in the accompanying financial statements.

## NOTES TO FINANCIAL STATEMENT

June 30, 2014

## 9. CLAIMS AND JUDGEMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited; but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other school districts in the State to participate in Kansas Association of School Boards (KASB) Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to KASB Risk Management Services for its workers compensation insurance coverage. The agreement to participate provides that KASB Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 for each insured event.

The District continues to carry commercial insurance for all other risks of loss, including liability, property, inland marine, linebacker, and fleet coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## 10. INTERFUND TRANSFERS

Operating transfers during the year ended June 30, 2014, were as follows:

From	To	Regulatory Authority	Amount
General	At-Risk (K-12)	K.S.A. 72-6428	\$ 49,404
General	Capital Outlay	K.S.A. 72-6428	237,823
General	Special Education	K.S.A. 72-6428	669,946
General	Vocational Education	K.S.A. 72-6428	7,106
Supplemental General	At-Risk (K-12)	K.S.A. 72-6433	411,096
Supplemental General	At Risk 4 Year Old	K.S.A. 72-6433	42,378
Supplemental General	Food Service	K.S.A. 72-6433	90,000
Supplemental General	Professional Development	K.S.A. 72-6433	32,000
Supplemental General	Parent Education Fund	K.S.A. 72-6433	8,600
Supplemental General	Student Material	K.S.A. 72-6433	21,157
Supplemental General	Special Education	K.S.A. 72-6433	285,391
Supplemental General	Vocational Education	K.S.A. 72-6433	273,870
			<u>\$ 2,128,771</u>

NOTES TO FINANCIAL STATEMENT

June 30, 2014

11. DATE OF MANAGEMENT'S REVIEW

Management has performed an analysis of the activities and transactions subsequent to June 30, 2014, to determine the need for any adjustments to and/or disclosures within the audited financial statements. Management has performed their analysis through August 15, 2014, which is the date at which the financial statements were available to be issued.

UNIFIED SCHOOL DISTRICT NO. 440  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014

## Unified School District No. 440

SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>General Funds:</b>						
General	\$ 5,595,420	(59,105)	-	5,536,315	5,536,315	-
Supplemental general	1,680,000	-	-	1,680,000	1,680,000	-
<b>Special Purpose Funds:</b>						
At risk (K-12)	460,500	-	-	460,500	460,500	-
At risk (4 year old)	42,378	-	-	42,378	42,378	-
Capital outlay	623,744	-	-	623,744	274,221	(349,523)
Driver training	53,800	-	-	53,800	7,810	(45,990)
Food service	418,601	-	-	418,601	408,692	(9,909)
Professional development	52,116	-	-	52,116	31,736	(20,380)
Parent education	18,848	-	-	18,848	8,597	(10,251)
Special education	1,414,157	-	-	1,414,157	1,015,628	(398,529)
Vocational education	293,160	-	-	293,160	289,894	(3,266)
KPERS special retirement contribution	464,232	-	-	464,232	432,774	(31,458)
<b>Bond and Interest Fund:</b>						
Bond and interest	629,056	-	-	629,056	629,056	-
	<u>\$ 11,746,012</u>	<u>(59,105)</u>	<u>-</u>	<u>11,686,907</u>	<u>10,817,601</u>	<u>(869,306)</u>
Add expenditures of unbudgeted funds						
Special purpose					377,305	
Fiduciary					<u>85,872</u>	
Total expenditures, Statement 1					<u>\$ 11,280,778</u>	

Unified School District No. 440  
General Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013	Actual	Budget	Variance- Over (Under)
	Actual			(Under)
<b>GENERAL FUND</b>				
Receipts				
Taxes				
Tax in process	\$ 39,773	19,120	582,186	(563,066)
Current tax	606,161	606,718	9,339	597,379
Delinquent tax	8,986	19,604	19,653	(49)
Mineral production tax	815	742	-	742
General state aid	4,196,263	4,220,185	4,279,981	(59,796)
Special education state aid	666,662	669,946	704,261	(34,315)
Transfer from Contingency	129,971	-	-	-
	<u>5,648,631</u>	<u>5,536,315</u>	<u>5,595,420</u>	<u>(59,105)</u>
Expenditures				
Instruction	2,389,100	2,379,789	2,488,875	(109,086)
Student support services	167,574	143,219	251,226	(108,007)
Instructional support services	260,987	263,288	262,449	839
General administration	232,871	176,622	158,300	18,322
School administration	516,042	525,118	555,775	(30,657)
Operations and maintenance	609,547	772,865	644,435	128,430
Student transportation services	258,133	226,975	292,088	(65,113)
Other support services	79,197	84,160	82,850	1,310
Transfers to				
At Risk K-12	76,713	49,404	50,000	(596)
Capital Outlay	-	237,823	-	237,823
Contingency	200,000	-	-	-
Special Education	686,756	669,946	704,261	(34,315)
Vocational Education	170,560	7,106	105,161	(98,055)
Virtual	1,151	-	-	-
	<u>5,648,631</u>	<u>5,536,315</u>	<u>5,595,420</u>	<u>(59,105)</u>
Budget adjustments:				
Legal maximum budget	-	-	(59,105)	59,105
	<u>5,648,631</u>	<u>5,536,315</u>	<u>5,536,315</u>	<u>-</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	-		

See Independent Auditor's Report

Unified School District No. 440  
General Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013			Variance -
	Actual	Actual	Budget	Over
				(Under)
<b>SUPPLEMENTAL GENERAL FUND</b>				
Receipts				
Taxes				
Tax in process	\$ 45,112	25,440	13,248	12,192
Current tax	739,907	783,188	800,299	(17,111)
Delinquent tax	10,414	24,396	24,049	347
Vehicle tax	99,234	107,997	111,463	(3,466)
State aid	763,460	743,123	730,941	12,182
	<u>1,658,127</u>	<u>1,684,144</u>	<u>1,680,000</u>	<u>4,144</u>
Expenditures				
Instruction	129,056	85,335	165,000	(79,665)
Student support services	10,334	356	15,250	(14,894)
Instructional support staff	44,106	37,673	24,500	13,173
General administration	6,054	59,816	7,000	52,816
School administration	35,154	25,228	30,000	(4,772)
Operations and maintenance	509,991	269,243	372,479	(103,236)
Other supplemental services	44,640	37,857	47,000	(9,143)
Transfers to				
At Risk K-12	310,476	411,096	410,500	596
At Risk 4 Year Old	48,196	42,378	42,378	-
Food Service	72,134	90,000	30,000	60,000
Professional Development	11,847	32,000	-	32,000
Parent Education	6,000	8,600	-	8,600
Student Material	-	21,157	9,424	11,733
Special Education	338,000	285,391	360,000	(74,609)
Vocational Education	84,012	273,870	166,469	107,401
	<u>1,650,000</u>	<u>1,680,000</u>	<u>1,680,000</u>	<u>-</u>
Receipts over (under) expenditures	8,127	4,144		
Unencumbered cash, beginning	81,410	89,537		
Unencumbered cash, ending	<u>\$ 89,537</u>	<u>93,681</u>		



Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013	Actual	Budget	Variance - Over (Under)
	Actual			
<b>AT RISK (K-12) FUND</b>				
Receipts				
Transfers from				
General	\$ 76,713	49,404	50,000	(596)
Supplemental General	310,476	411,096	410,500	596
	<u>387,189</u>	<u>460,500</u>	<u>460,500</u>	<u>-</u>
Expenditures				
Instruction	382,432	422,241	455,650	(33,409)
Student support services	4,757	38,259	4,850	33,409
	<u>387,189</u>	<u>460,500</u>	<u>460,500</u>	<u>-</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>		
<b>AT RISK (4YEAR OLD) FUND</b>				
Receipts				
Transfer from Supplemental General	\$ 48,196	42,378	42,378	-
Expenditures				
Salaries and benefits	47,964	41,373	42,178	(805)
Other	232	1,005	200	805
	<u>48,196</u>	<u>42,378</u>	<u>42,378</u>	<u>-</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>		

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013 Actual	Actual	Budget	Variance - Over (Under)
<b>CAPITAL OUTLAY FUND</b>				
Receipts				
Taxes				
Delinquent tax	\$ 426	270	-	270
Vehicle tax	3,089	12	-	12
Interest	3,602	2,061	-	2,061
Grants and other	68,613	117,381	-	117,381
Transfer from General	-	237,823	-	237,823
	<u>75,730</u>	<u>357,547</u>	<u>-</u>	<u>357,547</u>
Expenditures				
Equipment and furniture	89,556	268,920	453,744	(184,824)
Equipment and buses	-	-	150,000	(150,000)
Site improvement	3,283	5,301	20,000	(14,699)
	<u>92,839</u>	<u>274,221</u>	<u>623,744</u>	<u>(349,523)</u>
Receipts over (under) expenditures	(17,109)	83,326		
Unencumbered cash, beginning	<u>640,853</u>	<u>623,744</u>		
Unencumbered cash, ending	<u>\$ 623,744</u>	<u>707,070</u>		
<b>DRIVER TRAINING FUND</b>				
Receipts				
State aid	\$ 4,371	4,165	5,635	(1,470)
Other	<u>7,265</u>	<u>14,472</u>	<u>-</u>	<u>14,472</u>
	<u>11,636</u>	<u>18,637</u>	<u>5,635</u>	<u>13,002</u>
Expenditures				
Salaries and benefits	7,284	6,900	13,500	(6,600)
Other	8	12	6,300	(6,288)
Equipment and furnishings	-	898	34,000	(33,102)
	<u>7,292</u>	<u>7,810</u>	<u>53,800</u>	<u>(45,990)</u>
Receipts over (under) expenditures	4,344	10,827		
Unencumbered cash, beginning	<u>46,635</u>	<u>50,979</u>		
Unencumbered cash, ending	<u>\$ 50,979</u>	<u>61,806</u>		

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013	Actual	Budget	Variance -
	Actual			Over
				(Under)
<b>FOOD SERVICE FUND</b>				
Receipts				
Lunch and breakfast sales	\$ 101,059	93,854	86,379	7,475
Federal aid	218,676	216,212	196,251	19,961
State aid	3,387	3,472	3,171	301
Other	4,521	2,246	-	2,246
Transfer from Supplemental General	72,134	90,000	30,000	60,000
	<u>399,777</u>	<u>405,784</u>	<u>315,801</u>	<u>89,983</u>
Expenditures				
Salaries and benefits	172,711	186,609	181,060	5,549
Food and supplies	222,572	222,083	237,174	(15,091)
Equipment	573	-	367	(367)
	<u>395,856</u>	<u>408,692</u>	<u>418,601</u>	<u>(9,909)</u>
Receipts over (under) expenditures	3,921	(2,908)		
Unencumbered cash, beginning	98,879	102,800		
Unencumbered cash, ending	<u>\$ 102,800</u>	<u>99,892</u>		
<b>PROFESSIONAL DEVELOPMENT FUND</b>				
Receipts				
Other	\$ -	200	-	200
Transfer from Supplemental General	11,847	32,000	-	32,000
	<u>11,847</u>	<u>32,200</u>	<u>-</u>	<u>32,200</u>
Expenditures				
Salaries and benefits	4,392	10,473	29,262	(18,789)
Purchased services and other	3,341	21,263	22,854	(1,591)
	<u>7,733</u>	<u>31,736</u>	<u>52,116</u>	<u>(20,380)</u>
Receipts over (under) expenditures	4,114	464		
Unencumbered cash, beginning	47,597	51,711		
Unencumbered cash, ending	<u>\$ 51,711</u>	<u>52,175</u>		

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013			Variance -
	Actual	Actual	Budget	Over
				(Under)
<b>PARENT EDUCATION FUND</b>				
Receipts				
Transfer from Supplemental General	\$ 6,000	8,600	9,424	(824)
Expenditures				
Supplies	-	-	2,220	(2,220)
Purchased services and other	8,597	8,597	16,628	(8,031)
	<u>8,597</u>	<u>8,597</u>	<u>18,848</u>	<u>(10,251)</u>
Receipts over (under) expenditures	(2,597)	3		
Unencumbered cash, beginning	<u>11,209</u>	<u>8,612</u>		
Unencumbered cash, ending	<u>\$ 8,612</u>	<u>8,615</u>		
<b>VIRTUAL EDUCATION FUND</b>				
Receipts				
Transfer from General	\$ 1,151	-	-	-
Expenditures				
Tuition	<u>1,151</u>	-	-	-
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	<u>-</u>	<u>-</u>		
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>		

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS  
Year ended June 30, 2014  
(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013	Actual	Budget	Variance - Over (Under)
	Actual			(Under)
<b>SPECIAL EDUCATION FUND</b>				
Receipts				
Other	\$ 107,521	59,599	-	59,599
Transfer from				
General Fund	686,756	669,946	704,261	(34,315)
Supplemental General	338,000	285,391	360,000	(74,609)
	<u>1,132,277</u>	<u>1,014,936</u>	<u>1,064,261</u>	<u>(49,325)</u>
Expenditures				
Salaries and benefits	118,225	120,204	128,396	(8,192)
Purchased services and other	1,170	2,676	1,500	1,176
Transportation	16,845	2,504	165,000	(162,496)
Tuition	886,140	890,244	1,119,261	(229,017)
	<u>1,022,380</u>	<u>1,015,628</u>	<u>1,414,157</u>	<u>(398,529)</u>
Receipts over (under) expenditures	109,897	(692)		
Unencumbered cash, beginning	<u>240,000</u>	<u>349,897</u>		
Unencumbered cash, ending	<u>\$ 349,897</u>	<u>349,205</u>		
<b>STUDENT MATERIAL REVOLVING FUND</b>				
Receipts				
Fees	\$ 41,649	36,635		
Transfer from Supplemental General	-	21,157		
	<u>41,649</u>	<u>57,792</u>		
Expenditures				
Textbooks	27,311	30,507		
Other	2,906	1,040		
Materials and supplies	6,952	5,749		
	<u>37,169</u>	<u>37,296</u>		
Receipts over (under) expenditures	4,480	20,496		
Unencumbered cash, beginning	<u>37,290</u>	<u>41,770</u>		
Unencumbered cash, ending	<u>\$ 41,770</u>	<u>62,266</u>		

NOT APPLICABLE

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013	Actual	Budget	Variance -
	Actual			Over
				(Under)
<b>STUDENT HEALTH INITIATIVE FUND</b>				
Receipts				
Grant	\$ 3,793	-		
Expenditures				
Other	2,478	864	NOT APPLICABLE	
Receipts over (under) expenditures	1,315	(864)		
Unencumbered cash, beginning	611	1,926		
Unencumbered cash, ending	<u>\$ 1,926</u>	<u>1,062</u>		
<b>VOCATIONAL EDUCATION FUND</b>				
Receipts				
CTE transportation state aid	\$ 11,530	4,528	11,530	(7,002)
Other	16,112	4,390	10,000	(5,610)
Transfers from				
General	170,560	7,106	105,161	(98,055)
Supplemental General	84,012	273,870	166,469	107,401
	<u>282,214</u>	<u>289,894</u>	<u>293,160</u>	<u>(3,266)</u>
Expenditures				
Salaries and benefits	262,110	278,434	263,918	14,516
Tuition and other	20,104	11,460	29,242	(17,782)
	<u>282,214</u>	<u>289,894</u>	<u>293,160</u>	<u>(3,266)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>		

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET\*  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended 2013)

		2014		
	2013 Actual	Actual	Budget	Variance - Over (Under)
<b>KPERS SPECIAL RETIREMENT CONTRIBUTION FUND</b>				
Receipts				
State KPERS aid	\$ 400,200	432,774	<u>464,232</u>	<u>(31,458)</u>
Expenditures				
Employee benefits	<u>400,200</u>	<u>432,774</u>	<u>464,232</u>	<u>(31,458)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>		
<b>CONTINGENCY RESERVE FUND</b>				
Receipts				
Transfer from General	\$ 200,000	-		
Expenditures				
Transfer to General	<u>129,971</u>	-	NOT APPLICABLE	
Receipts over (under) expenditures	70,029	-		
Unencumbered cash, beginning	<u>429,971</u>	<u>500,000</u>		
Unencumbered cash, ending	<u>\$ 500,000</u>	<u>500,000</u>		
<b>AFTER SCHOOL PROGRAM FUND</b>				
Receipts				
Other	<u>\$ 38,682</u>	<u>46,178</u>		
Expenditures				
Salaries and benefits	28,380	36,305		
Miscellaneous	<u>6,486</u>	<u>8,861</u>		
	<u>34,866</u>	<u>45,166</u>	NOT APPLICABLE	
Receipts over (under) expenditures	3,816	1,012		
Unencumbered cash, beginning	<u>5,009</u>	<u>8,825</u>		
Unencumbered cash, ending	<u>\$ 8,825</u>	<u>9,837</u>		

Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET\*  
REGULATORY BASIS  
Year ended June 30, 2014  
(With comparative actual amounts for the year ended 2013)

	2014			
	Title II-A Class Size Reduction	Title I ESEA	Total	2013 Total
STATE AND FEDERAL GRANTS				
Receipts				
Federal aid	\$ 27,816	112,215	140,031	145,988
Expenditures				
Salaries and benefits	11,084	114,296	125,380	121,260
Equipment and supplies	16,732	(2,081)	14,651	24,808
Other expense	-	-	-	-
	27,816	112,215	140,031	146,068
Receipts over (under) expenditures	-	-	-	(80)
Unencumbered cash, beginning	-	-	-	80
Unencumbered cash, ending	\$ -	-	-	-

\*Legally adopted budget not applicable



Unified School District No. 440  
Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET\*  
REGULATORY BASIS  
Year ended June 30, 2014  
(With comparative actual amounts for the year ended 2013)

		2014		
	2013 Actual	Actual	Budget	Variance - Over (Under)
<b>LITTLE DRAGON PRESCHOOL</b>				
Receipts				
Tuition	\$ -	25,068		
Expenditures				
Salaries and benefits	-	10,310	NOT APPLICABLE	
Other	-	2,536		
	-	12,846		
Receipts over (under) expenditures	-	12,222		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	12,222		

## Unified School District No. 440

## Bond and Interest Fund

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

Year ended June 30, 2014

(With comparative actual amounts for the year ended June 30, 2013)

		2014		
	2013 Actual	Actual	Budget	Variance - Over (Under)
<b>BOND AND INTEREST FUND</b>				
Receipts				
Taxes				
Tax in process	\$ 27,704	12,526	6,537	5,989
Current tax	364,480	320,505	308,296	12,209
Delinquent tax	7,253	12,439	11,847	592
Vehicle tax	68,844	61,515	54,900	6,615
State aid	239,354	257,913	257,913	-
	<u>707,635</u>	<u>664,898</u>	<u>639,493</u>	<u>25,405</u>
Expenditures				
Principal	285,000	340,000	340,000	-
Interest	298,790	289,056	289,056	-
	<u>583,790</u>	<u>629,056</u>	<u>629,056</u>	<u>-</u>
Receipts over (under) expenditures	123,845	35,842		
Unencumbered cash, beginning	<u>859,047</u>	<u>982,892</u>		
Unencumbered cash, ending	<u>\$ 982,892</u>	<u>1,018,734</u>		

Unified School District No. 440  
Fiduciary Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
Year ended June 30, 2014 and 2013

	<u>2013</u>	<u>2014</u>
<b>FIDUCIARY - GIFT FUNDS</b>		
M. Ritthaler Memorial Fund		
Receipts	\$ -	-
Expenditures	<u>1,791</u>	<u>290</u>
Receipts over (under) expenditures	(1,791)	(290)
Unencumbered cash, beginning	<u>2,081</u>	<u>290</u>
Unencumbered cash, ending	<u><u>\$ 290</u></u>	<u><u>-</u></u>

Unified School District No. 440  
School Activity Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
Year ended June 30, 2014

	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Balance</u>
<b>Activity Gate Receipts</b>				
High School				
Athletics	\$ 24,978	89,273	85,573	28,678
Concessions	1,139	9,401	8,846	1,694
Musicals	344	2,759	1,103	2,000
Middle School				
Athletics	<u>3,358</u>	<u>10,955</u>	<u>9,557</u>	<u>4,756</u>
Totals to Statement 1	<u>\$ 29,819</u>	<u>112,388</u>	<u>105,079</u>	<u>37,128</u>
<b>School Projects</b>				
High School	\$ 4,004	8,294	8,443	3,855
Middle School	6,564	30,650	27,580	9,634
Grade School	<u>4,348</u>	<u>325</u>	<u>-</u>	<u>4,673</u>
Totals to Statement 1	<u>\$ 14,916</u>	<u>39,269</u>	<u>36,023</u>	<u>18,162</u>
<b>Student Organizations</b>				
High School				
Class funds	\$ 4,337	8,979	9,201	4,115
Other	26,773	59,813	60,427	26,159
Middle School	2,368	10,035	8,857	3,546
Grade Schools				
Class funds	10,864	-	3,407	7,457
Other	<u>1,589</u>	<u>6,755</u>	<u>872</u>	<u>7,472</u>
Total cash basis activity	45,931	85,582	82,764	48,749
Adjustments for encumbrances and payables	<u>(45,931)</u>	<u>-</u>	<u>2,818</u>	<u>(48,749)</u>
Totals to Statement 1	<u>\$ -</u>	<u>85,582</u>	<u>85,582</u>	<u>-</u>